

ITT INDUSTRIAL CREDIT COMPANY

ASSIGNMENT OF LEASE FULL RECOURSE

RECORDATION NO. 14841/A
Filed 1425

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INTERSTATE COMMERCE COMMISSION

For value received, we hereby sell, assign, transfer and set over to ITT Industrial Credit Company, its successors and assigns, all of our right, title and interest in and to the annexed lease dated July 24, 1985, between assignor as Lessor, and PD Glycol (PPG Industries) of Beaumont, TX, as Lessee, including all rental payments due and to become due thereunder, all moneys due and to become due in connection with the exercise by the Lessee of an option, if any, to purchase the property leased, and all our right, title and interest in and to the property described in said lease, together with all of Lessor's rights and remedies thereunder and the right in assignee's own behalf and in its own name to take all such proceedings, legal equitable, or otherwise, the assignor might take, save for this assignment.

We warrant that: said lease is genuine and enforceable, and the only lease executed with respect to said property; all signatures, names, addresses, amounts and other statements of fact contained therein are true and correct; the lease transaction conforms to all applicable laws and regulations and if filing or recording of said lease is required or permitted by law, said lease has been so filed and recorded as to be effective against all persons; the property described in said lease has been delivered to, and accepted by, lessee in condition satisfactory to lessee, and assignor will comply with all its warranties and other obligations to lessee. Lessee has no claim of defense or offset with respect thereto.

Assignee shall have no obligation of lessor under said lease.

We warrant, and without first requiring assignee to proceed against said lessee, we guarantee the payment promptly when due of the amount of each and every sum payable under said lease, and the payment of the entire unpaid balance in the event of non-payment by the lessee of any such sum on its due date or any other default by the lessee.

We agree that assignee may audit our books and records relating to all leases and paper assigned to it and may sign and endorse in our name any notes and other remittances received, and we give express permission to assignee to release by operation of law or otherwise, or to compromise or adjust any and all rights against, and grant extensions of time of payment to, the lessee or any person obligated on the lease, or to agree to the substitution of a lessee, without notice to us and without affecting our liability hereunder.

We subordinate to any rights assignee may now or hereafter have against lessee any rights we may now or hereafter have or acquire by reason of payment to assignee of any rental payments under the lease or otherwise.

Unless otherwise agree under the provision of any applicable underlying agreement, any amounts retained by assignee as reserve or holdback shall be held by assignee as security for the performance of our obligations under the underlying agreement and hereunder, and shall be paid to us without interest, when all payments under the lease have been paid in full, provided no obligation of any kind, direct or contingent, of the undersigned, whether hereunder or otherwise, and no other leases or paper acquired by assignee from us be in default; but in the event of any such default, assignee may collect any amount owing by making a proper charge against any reserve or holdback which otherwise would be payable to us.

We shall have no authority to, and will not, without assignee's prior written consent, accept collections, repossess or consent to the return of property described in said lease, or modify the terms of said lease.

Assignee's knowledge now or hereafter of any breach of or non-compliance with any of the foregoing shall not constitute any waiver by assignee.

We waive notice of acceptance hereof.

WITNESS our hand and seal.

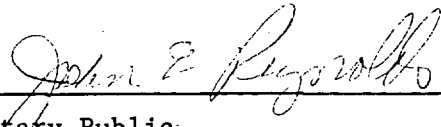
Dated November 6, 1985 By Inman Service Company Inc. (Seal) } Signature
By Vince Inman (Seal) } of
Its Executive Vice President } Lessor-
Assignor

If Corporation, have signed by President, Vice President, or Treasurer and give official title. If Owner or Partner, state which.

THE STATE OF TEXAS

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared Vince Inman known to me to be the person whose name subscribed to the foregoing instrument and acknowledged to me that executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 6TH DAY OF NOVEMBER,
A.D. 1985.



Notary Public



Inman Service Company Inc.

Diesel-Electric

LOCOMOTIVES

LOCOMOTIVE LEASE

Lease No. #134

July 24, 1985
Date

LESSOR: INMAN SERVICE COMPANY, INC.
115 North Main
Baytown, Texas 77520
(713) 427-6677

LESSEE: PD Glycol
P.O. Box 3785
Beaumont, TX 77704

LOCOMOTIVE DESCRIPTION: One (1) EMD SW-9 1200 Horsepower 130-Ton

SERIAL NUMBER: _____

LEASED EQUIPMENT LOCATION: PD Glycol, Beaumont, TX

TERM OF LEASE: One (1) year

RENTAL CHARGES: \$ 2,350.00 per month each, including maintenance.
Payment will be due within (10) ten days of invoice receipt.

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the above described Locomotive(s) (all locomotives are hereinafter referred to as "Leased Equipment"), pursuant to the terms contained herein for the consideration set out above. All payments to Lessor shall be made at the above address.

2. OPERATORS. Lessee shall supply its own operators for the Leased Equipment and Lessee agrees all operators using such Leased Equipment shall be competent and qualified.

3. DELIVERY AND ACCEPTANCE. All Leased Equipment shall be delivered to the Leased Equipment Location as set out above. Such Leased Equipment shall not be removed from such Location except with written consent from Lessor. By accepting delivery of the Leased Equipment, Lessee acknowledges that said Leased Equipment is in good condition.

4. LESSOR'S MAINTENANCE DUTIES. Lessor agrees to provide maintenance service and keep the Leased Equipment in good working condition. Additionally, Lessor shall provide a preventive maintenance and inspection approximately once each month at times deemed most appropriate by Lessor and Lessee.

5. LESSEE'S DUTIES OF CARE AND MAINTENANCE. Lessee shall be obligated to exercise a reasonable degree of care in its use of the Leased Equipment and to perform the daily fluid and maintenance checklist pursuant to the guidelines that may be established from time-to-time by Lessor.

Phone: Office: 713/427-6677 / 115 N. Main / Baytown, Texas 77520

Lessee shall not allow the vehicle to be used in an unlawful manner, not in any manner that would result in or cause the suspension or cancellation of insurance coverage on the Leased Equipment.

6. LESSOR'S INSURANCE COVERAGE. Lessor agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

7. LESSEE'S INSURANCE COVERAGE. Lessee agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

8. LESSEE'S INDEMNITY. The Lessee further agrees, as part consideration of this Lease, to forever indemnify and save harmless the Lessee, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability of every nature arising directly or indirectly in connection with the use or handling of said Locomotive by the Lessee and its employees.

9. LESSOR'S INDEMNITY. The Lessor further agrees, as part consideration of this Lease, to forever indemnify and save harmless the Lessee, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability in connection with employees and agents of Lessor in their activities in the plant where the equipment is kept. Lessor further indemnifies and holds Lessee harmless from and against any and all loss in the event any of the Leased Equipment which may not be wholly owned is repossessed or foreclosed upon.

10. INSPECTION. Lessor shall have the right to inspect said Locomotive at any time on reasonable notice to Lessee.

11. FUELS AND OTHER FLUIDS. This lease carries no obligation on the part of Lessor to furnish any fuel, oil, water, filters or other thing required for the operation of said Locomotive, or any of it, by Lessee.

12. ACCIDENTS AND DAMAGE. The Lessee shall notify the Lessor of each accident or other occurrence which causes damage to each vehicle within (72) hours thereafter, give all information and cooperation which the Lessor may reasonably request in connection therewith, promptly advise the Lessor of all claims and demands relating to any vehicle or the use, operation, or possession thereof, and aid in the investigation and defense of all such claims arising out of each accident or occurrence.

13. TITLE TO LEASED EQUIPMENT. Title to all Leased Equipment shall be and remain in the Lessor and the Lessee shall acquire no right, title or interest except the leasehold interest created herein. Lessee agrees to execute a UCC-1 Financing Statement evidencing this Lease Agreement.

14. RISK OF LOSS. Lessee shall bear all risk of loss, damage, theft and destruction, of the Leased Equipment while in the control and possession of said Lessee hereunder. At the end of the lease term, possession of the Leased Equipment shall be returned to Lessor at the Leased Equipment location in good condition, normal wear accepted. Any repairs necessitated by damage(s) caused by Lessee; and/or peculiar chemical reaction causing contamination/deterioration (necessitating replacement of parts/components and resultant repairs in order to restore locomotive unit, normal wear accepted, to compliance with AAR and FRA Regulations*, at the time the unit was placed in service, will be so invoiced.

15. TAXES. Lessor shall be responsible for all personal property taxes that may accrue in connection with the Leased Equipment. Any other taxes, license charges or regulation fees levied against the Leased Equipment or its use, except taxes based on Lessor's Net Income, shall be paid by Lessee.

16. POSSESSION AFTER TERM. Any holding over at the end of the term thereof without entering into a new lease shall create a month-to-month lease cancellable by either party on thirty (30) days notice. The rent during any such holdover period shall continue at the above stated monthly charges.

17. ALTERATIONS AND REPAIRS. Without the prior written consent of Lessor, the Lessee shall not make any alterations, addition or improvements to the Leased Equipment. All approved additions and improvements shall belong to and become the property of Lessor on termination of this lease. Lessee, except for the daily maintenance and fuel checks set out above, shall not allow the Leased Equipment to be serviced, maintained or repaired by any company other than Lessor.

18. BREAKDOWN. The Lessee has selected the Leased Equipment for its own operation. The Lessor shall not be responsible for any loss of time or any other loss resulting from any breakdown or other failure of the Leased Equipment. The Lessor will repair any inoperative Leased Equipment within a reasonable time of being notified of the breakdown. Lessee shall be entitled to a prorated abatement of rent for any downtime as a result of breakdown. Such abatement shall commence when Lessee notifies Lessor of the breakdown. Lessor will use Lessor's best efforts to supply an alternate Locomotive at Lessee's plant.

19. NO WARRANTY. THE LESSOR MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

20. TERMINATION UPON DEFAULT. This Lease may be terminated by the Lessor prior to the expiration date set forth herein on the (10) days' written notice delivered or mailed to the Lessee at its address as set forth above in the event that the Lessee:

- (a) Fails to pay the rental charges within the time specified herein;
- (b) Makes any breach or default under this Agreement.
- (c) Discontinues operation, abandons, or permits Leased Equipment to be subjected to unreasonable hazards or risks.

Such termination of the Lease by the Lessor or the taking or recovery of the Leased Equipment shall not deprive the Lessor of any of its rights, remedies, or actions against the Lessee for rents or damages or affect the Lessee's obligation to make payments provided hereunder. On termination of this Lease for whatever reason, the Lessee agrees that the Lessor may immediately take possession of the Leased Equipment covered hereby and remove it from the Lessee's premises without the necessity of resorting to any legal process, or, at the Lessor's option. This Lease may be terminated by the Lessee prior to the expiration date set forth herein on ten (10) days written notice delivered or mailed to the Lessor at its address set forth above in the

event the Lessor makes any breach or default under this Agreement (including, without limitation, any breach of Lessor's obligation to provide maintenance and to keep the Leased Equipment in good working condition), unless any such breach or default is cured within said ten (10) day period. Upon any such termination by Lessee, (i) the rent shall cease as of the effective date of termination and Lessee shall be relieved of all its obligations under this Agreement and (ii) Lessee, shall, at Lessee's premises, make the Leased Equipment available for Lessor's removal. Any such termination of the Lease by Lessee shall not deprive Lessee of any of its rights, remedies or actions against the Lessor for damages or other legal redress.

21. USE OF MAINTENANCE FACILITIES. Lessee hereby consents to Lessor's use of Lessee's Locomotive maintenance facilities and fluid containers for Lessor's performance of its maintenance duties. Lessor and its employees shall, during its use, keep all of Lessee's maintenance facilities free of debris and fluids.

22. Lessee hereby agrees and consents to the use of said Locomotive No. 134 on its plant facilities and will not operate, sublease or permit the usage of said Locomotive outside the PPG Industries, Inc. premises without the expressed written consent of authorized personnel in ISC management.

23. RADIO INSTALLATION. Lessor hereby consents to the installation of two way radios on the Leased Equipment and such radios shall remain Lessee's property and shall be returned to Lessee upon termination of this Lease. Lessee shall not damage the Leased Equipment in the installation or removal of the radios.

24. MISCELLANEOUS.

(a) Time is of the essence in this Agreement.

(b) The Lessee shall not, in whole or in part, assign or sublet this lease, or any of said Locomotive, or any rights hereunder, without the written consent of Lessor. No rights of Lessee under this lease shall pass to any successor or assignee of Lessee by operation of Law without the written consent of Lessor.

(c) This lease constitutes the entire and final Agreement between the parties and may not be amended except by agreement in writing.

LESSOR:

INMAN SERVICE COMPANY, INC.

By: [Signature]

LESSEE:

PD G1461

By: [Signature]

ADDENDUM TO PAGE (2)

The following is a list of AAR and FRA Requirements ISC is required to meet in order for our switch engines to be transported on Line-Haul Carriers rails.

PPG INDUSTRIES INC. AAR AND FRA REQUIREMENTS

ADDENDA - *Referred to on page two (2) item (14) of the (Co. name) Contract.

All window glass in unit

Front and rear headlights must be working

The window wiper must be operating if (installed)

Horn must be operable

Emergency brake system functional according to FRA safety standards

Brake rigging cannot be bent or damaged

Train line hoses and angle cock-valve must be functioning

Pilot Plates (front and rear) intact

All hand rails are required

Coupling levers must be functioning

Wheels must be at least 3/4" thick

Flanges at least 1" thick

Knuckle on front and rear coupling functioning properly

Limit blocks must prevent locomotive frame from touching truck assembly

Broken springs in truck assembly are not allowed

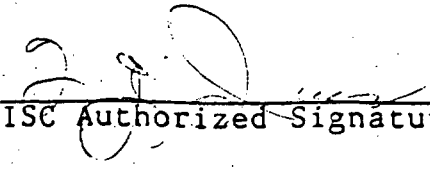
All steps must be complete

Permanent lids on battery boxes required

I hereby certify the above stated are those Requirements as specified in the translation of the terms "FRA" "AAR" Requirements listed in item (14) of the (Co. name) Contract.

Corporate Seal -

PPG INDUSTRIES, INC.




ISC Authorized Signature

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared R. C. Inman and Noel G. Hall known to me to be the persons whose name subscribed to the foregoing instrument and acknowledged to me that executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 24th day of July, A.D. 1985.

(L.S.)



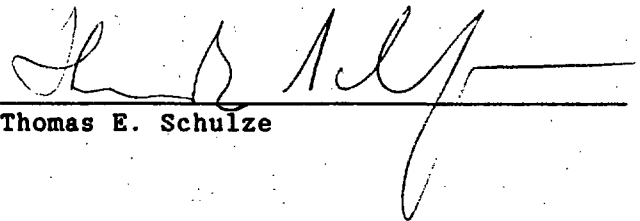
Notary Public in and for
HARRIS COUNTY, TEXAS

STATE OF MISSOURI)
) SS.
COUNTY OF ST. LOUIS)

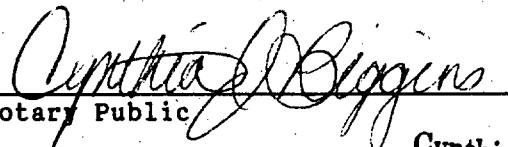
CERTIFICATION OF TRUE COPY

I, Thomas E. Schulze, a member of the Bar of the State of Illinois, do hereby certify that I have compared the attached copy of the document entitled "Locomotive Lease" with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereto affixed his signature this 13th day of November, 1985.


Thomas E. Schulze

Subscribed and sworn to before me
this 13th day of November, 1985.


Notary Public

My commission expires:
10-28-88

Cynthia J. Biggins, Notary Public
St. Charles County, State of Missouri
My Commission Expires Oct. 28, 1988


6988Z(c)

STATE OF MISSOURI)
) SS.
COUNTY OF ST. LOUIS)

CERTIFICATION OF TRUE COPY

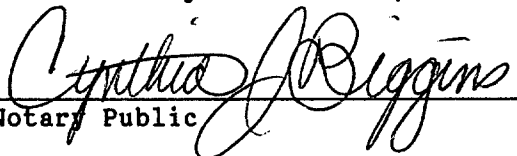
I, Thomas E. Schulze, a member of the Bar of the State of Illinois, do hereby certify that I have compared the attached copy of the document entitled "Assignment of Lease Full Recourse" with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereto affixed his signature this 13th day of November, 1985.



Thomas E. Schulze

Subscribed and sworn to before me
this 13th day of November, 1985.



Notary Public

My commission expires:

10-28-88

Cynthia J. Biggins, Notary Public
St. Charles County, State of Missouri
My Commission Expires Oct. 28, 1988

6988Z(b)